



Sen. Edward D. Maloney

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LRB094 03660 NHT 47419 a

1 AMENDMENT TO HOUSE BILL 806

2 AMENDMENT NO. _____. Amend House Bill 806 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Governor's Office of Management and Budget
5 Act is amended by changing Section 2 and by adding Section 2.8
6 as follows:

7 (20 ILCS 3005/2) (from Ch. 127, par. 412)

8 Sec. 2. There is created in the executive office of the
9 Governor an Office to be known as the Governor's Office of
10 Management and Budget. The Office shall be headed by a
11 Director, who shall be appointed by the Governor. The functions
12 of the Office shall be as prescribed in the following Sections
13 preceding Section 3 Sections 2.1 through 2.7 of this Act.

14 (Source: P.A. 93-25, eff. 6-20-03.)

15 (20 ILCS 3005/2.8 new)

16 Sec. 2.8. Undertaking of transactions involving the sale or
17 transfer of eligible student loans and origination and
18 servicing rights. To undertake the sale of eligible student
19 loans and origination and servicing rights under Section 140 of
20 the Higher Education Student Assistance Act.

21 Section 10. The Higher Education Student Assistance Act is
22 amended by changing Sections 140 and 160 as follows:

1 (110 ILCS 947/140)

2 Sec. 140. Powers and duties. The Commission shall have the
3 following powers in furtherance of the programs authorized by
4 this Act:

5 (a) To adopt rules and regulations governing the
6 purchasing, servicing, and selling of eligible loans and any
7 other matters relating to the activities of the guaranteed loan
8 programs.

9 (b) To perform such other acts as may be necessary or
10 appropriate in connection with the making, purchasing,
11 servicing, and selling of eligible loans.

12 (c) To sue and be sued in the name of the Commission.

13 (d) To make, purchase, service, sell, or otherwise deal in,
14 at prices and on terms and conditions determined by the
15 Governor's Office of Management and Budget Commission,
16 eligible loans, including loans guaranteed by the Commission.
17 The Governor's Office of Management and Budget is authorized,
18 with the assistance of the Commission, to undertake the sale of
19 the Commission's outstanding eligible loans and attendant loan
20 origination and servicing rights in an "Eligible Loan Portfolio
21 Sale", in the following manner: Any such Eligible Loan
22 Portfolio Sale shall be at such prices and upon such terms and
23 conditions, including, without limitation, the duties and
24 responsibilities with respect to the servicing of outstanding
25 eligible loans, all as determined by the Governor's Office of
26 Management and Budget, with the assistance of the Commission,
27 pursuant to a procurement conducted in accordance with Section
28 20-15 of the Illinois Procurement Code with the assistance of
29 the Commission. In connection with an Eligible Loan Portfolio
30 Sale: (i) the Commission may agree not to exercise, for a
31 specified number of years, any or all of the powers and duties
32 specified in the Education Loan Purchase Program Law and (ii)
33 the purchasers thereof may be authorized to make and service

1 loans which, if made by the Commission, would constitute
2 eligible loans under this Act.

3 (e) To issue bonds to make or acquire eligible loans or to
4 refund the bonds of the Commission and to provide for the
5 security and payment of those bonds and for the rights of the
6 holders thereof.

7 (f) To retain in accounts designated in the resolution or
8 resolutions authorizing the bonds of the Commission and to
9 disburse therefrom all proceeds from the sale of the bonds of
10 the Commission issued pursuant to this Act, all eligible loans
11 receipts received by the Commission, and all earnings received
12 by the Commission from any authorized investment.

13 (g) To hire and retain such attorneys, accountants,
14 financial advisors, and other employees as may be required by
15 the Commission, to determine their qualifications, to define
16 their duties, to fix their compensation, and to pay that
17 compensation from the proceeds from the sale of the bonds of
18 the Commission issued pursuant to this Act and from the
19 earnings received by the Commission from any authorized
20 investment as provided in the resolution or resolutions
21 authorizing the bonds, all notwithstanding any other
22 provisions of this Act or any other law.

23 (h) To enter into contracts, to execute instruments, to
24 invest and to accumulate assets, to incur liabilities, and to
25 do all things necessary or incidental to the proper management
26 of such affairs and the proper conduct of such business as are
27 authorized under this Act.

28 (Source: P.A. 87-997.)

29 (110 ILCS 947/160)

30 Sec. 160. Moneys of the Commission. Notwithstanding the
31 provisions of this Act or of any other law, all proceeds from
32 the sale of the bonds of the Commission issued pursuant to this
33 Act or pledged or assigned to or in trust for the benefit of

1 the holder or holders thereof shall be deposited by the
2 Chairman of the Commission in such bank or banks or trust
3 company or trust companies as may be designated by the
4 Commission, and all deposits of such moneys shall, if required
5 by the Commission, be secured by direct or fully guaranteed
6 obligations of the United States of America, of a market value
7 equal at all times to the amount of the moneys on deposit. Such
8 moneys shall be disbursed as may be directed by the Commission
9 and in accordance with the terms of any agreements with the
10 holder or holders of any bonds. This Section shall not be
11 construed as limiting the power of the Commission to agree in
12 connection with the issuance of any of its bonds as to the
13 custody and disposition of the moneys received from the sale of
14 the bonds or from the income and revenues pledged or assigned
15 to or in trust for the benefit of the holder or holders
16 thereof. In addition to the authority otherwise available to
17 invest funds, the Commission may invest any of its funds in
18 obligations the interest upon which is tax-exempt under the
19 provision of Section 103 of the Internal Revenue Code of 1986,
20 or any successor code or provision. When all of the bonds of
21 the Commission have been paid or provision has been made for
22 the payment thereof and when the Commission has determined that
23 it has accumulated more funds than are necessary therefor,
24 those surplus funds shall be paid into the Student Loan
25 Operating Fund established under Section 113 of this Act; and
26 provided that in connection with an Eligible Loan Portfolio
27 Sale under Section 140 of this Act, after all bonds have been
28 paid or defeased or provision has been otherwise made for the
29 payment thereof and all costs and expenses incurred in
30 connection with such Sale have been paid or provided for, all
31 remaining funds derived from such Sale shall be paid one-third
32 into the Student Loan Operating Fund, for the sole purpose of
33 making grants under Section 35 of this Act, and two-thirds into
34 the General Revenue Fund ~~Student Loan Fund established under~~

1 ~~Section 110.~~ No more than 25% of the amounts deposited into the
2 Student Loan Operating Fund in any fiscal year pursuant to this
3 Section may be expended in each of that and the 3 immediately
4 following fiscal years.

5 (Source: P.A. 87-997.)

6 Section 99. Effective date. This Act takes effect July 1,
7 2005.".